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UNCLAS SECTION 01 OF 02 ANKARA 001829

SIPDIS
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SUBJECT: PRIVATIZED TOBACCO WORKERS CONTINUE ANGRY PROTESTS

REF: ANKARA 1708

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11. (U) SUMMARY: Thousands of workers who face losing their benefits and right to organize under Turkey's privatization of its tobacco industry entered their ninth day of raucous protest in Ankara December 23 while union leaders and the government discuss ways to address their concerns. Extraordinary measures by the GOT to give them the same benefits as past public sector workers are unlikely. Generating 12,000 newly unemployed workers in February 2011 -- half of them from the most economically depressed region of the country -- is unlikely to bolster the AKP's prospects in the 2011 elections. END SUMMARY.

12. (U) On December 15 over 100 buses from 21 provinces in Turkey descended upon downtown Ankara, delivering large numbers -- the media reported between 5,000 and 10,000 -- of disgruntled employees of British American Tobacco (BAT) to a shopping mall where they began an illegal protest for their labor rights. The protesters walked from the mall to the headquarters of the AKP, but were later moved from there by riot police to Abdi Ipekci Park. They later continued their protest in front of their labor confederation headquarters, Turk-Is. During the protest, Turk-Is Confederation Secretary General Mustafa Turkel and some other members of the confederation were briefly detained. Media reports indicate the police used water cannons and tear gas to control the crowds, and occasionally there were physical confrontations. According to one report, Ali Can Aykel, a member of the Mus branch office of the Tekgida-Is union, was beaten so severely by police that he faces possible paralysis and had to be taken to the hospital.

13. (U) Eight unions affiliated with Turk-Is issued a joint statement supporting the workers' work stoppage, denouncing the Turk-Is detentions, and reiterating the demands of the BAT workers. DISK (the Revolutionary Workers Unions Confederation) also issued a statement expressing support, while the International Union of Federations sent letters to the GOT to express support. The MHP, CHP and DSP opposition political parties also expressed support for the work stoppage. Opposition CHP party MP Cetin Soysal, who participated in the protests, was subdued by the tear gas used by riot police. He later met with Parliament Speaker Mehmet Ali Sahin, and complained that the workers should be

treated more respectfully. On December 23 he announced that he will bring the excessive use of force by the police during the protest before the Human Rights Commission in parliament.

14. (U) During a privatization in 2008, BAT purchased the tobacco-producing facilities formerly owned by the state monopoly TEKEL -- which had controlled production of tobacco, alcohol and salt since the founding of the Turkish Republic in 1923. In its initial tender, BAT made it clear that it intended to continue production of only three brands of TEKEL cigarettes, while closing 40 of the 42 production facilities in operation and reducing the TEKEL workforce by around 12,000 employees. BAT offered the highest price for the purchase and won the tender.

15. (U) In 2007, the ruling Justice and Development Party (AKP) amended law Number 657 regarding civil servants to make way for privatizations of several state-owned enterprises. The amended Article 4.c. now says that people whose jobs are eliminated due to privatization shall be given temporary employment for less than a year. On February 1, 2010, when BAT will formally take over operational control of the former TEKEL facilities, the employees occupying positions to be downsized will be able to choose: to either resign from their positions, receiving severance pay and unemployment benefits, or to continue to work under "temporary" status under Article 4.c. With this new "temporary" status, however, the employees' pay will be cut significantly. Initial reports are that their monthly pay will decrease from TL 1600 to TL 650 per month. When the temporary period ends, on or before February 2011, if they are not offered a renewal of their contract, their employment will end and they will not receive any severance or unemployment benefits. In addition, because their new category of work will be "temporary," they will not

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be allowed to unionize under Turkish law.

16. (U) Prior to the amendment of this law in 2007, when the employees of the Petlas, Turban, Koy Hizmetleri, SEKA and Orman Urunleri state enterprises were privatized, the GOT took the employees who had been working in these enterprises but whose services were no longer required and reassigned them to other jobs in the government, where they could work until their retirement. The BAT workers, through their union, Tekgida-Is, are seeking this kind of arrangement: an agreement from the government that they will be reassigned to permanent government employment elsewhere, preserve their current level of compensation, and retain the ability to unionize as they currently enjoy.

Minimal Steps to a Resolution

17. (U) During the protests, Turk-Is President Mustafa Kumlu has been meeting with GOT ministers to find a solution, but no breakthrough has been announced. On December 22, PM Erdogan said that two years ago the employees' transition was discussed and their severance and notification fees were paid. While Turkgida-Is requested the privatization be postponed, Erdogan said "currently around 10,000 TEKEL workers are receiving salaries without working, which costs the Turkish Republic TL 40 trillion." Erdogan said the Government is reexamining the 4.c. agreements with BAT for salaries and contracts -- the length of which was initially proposed to be 10 months, now being considered to be raised to 11 months -- and that a decision should be made within a week. He cautioned that any statements made during the protests were speculative and that opposition party members who were supporting the work stoppage were being insincere. After the PM's statement, Turk-Is invited the members of 33 unions together to decide how to continue the protests.

Comment

18. (SBU) While the privatization of many industries in Turkey is a fiscally sound decision for the bottom line of the GOT, this one is occurring during a global economic downturn that already has increased unemployment in Turkey to record levels. The government's finances may improve in the long run, but in the short term it will need to spend considerable sums to address the needs of increasing numbers of Turks who have no income. In addition, as outlined by the nine unions that support the BAT workers, the majority of the facilities that will cut employees are in southeastern provinces that are already feeling the brunt of the economic downturn in Turkey, and an influx of several thousand newly unemployed workers will exacerbate an already grim situation there. The GOT has said that it wants to target increased development in this region as a part of its Democratic Opening (now known as the "National Unity Project") and outreach to ethnic Kurds, yet its privatization policy is undercutting that objective. Large increases in regional unemployment in early 2011, if left unaddressed, will dampen AKP's already slumping electoral prospects in the southeast for the 2011 elections.
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